

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 NEA-10 ISO-00 IO-10 SIL-01 LAB-04 FRB-03

PA-01 PRS-01 FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07 INT-05

L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06 SAM-01

OES-03 SP-02 SS-15 STR-04 TRSE-00 AS-01 /123 W

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R 021120Z JAN 76

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 3478

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DEPT REPEAT AS DESIRED

E.O. 11652: N/A

TAGS: EGEN, ENRG, PK

SUBJECT: PAKISTAN PREPARATIONS FOR WORK OF CIEC COMMISSIONS

REF: PARIS 33696, ISLAMABAD 5952,

SUMMARY: MFA DIRECTOR (UN AFFAIRS) MUNIR AKRAM HAS TOLD US THAT GOP POSITION ON TERMS OF REFERENCE FOR CIEC COMMISSIONS WILL PARALLEL GOP POSITIONS AT SEVENTH SPECIAL SESSION. PRIMARY AREA OF GOP INTEREST WILL BE "EMERGENCY MEASURES" TO HELP MSAS WITH THE "DESPERATE" BALANCE OF PAYMENTS CRISES MANY OF THEM WILL SOON BE FACING. THESE INCLUDE CHIEFLY THE RESOURCE TRANSFER MECHANISMS UNDER DISCUSSION ELSEWHERE (DEVELOPMENT SECURITY FACILITY; THIRD WINDOW; IMF TRUST FUND, AND OTHERS). LONGER-TERM MEASURES, SUCH AS TARIFF PREFERENCES, ARE ALSO IMPORTANT TO GOP, BUT GOP DOES NOT WISH TO SEE PROGRESS ON "EMERGENCY MEASURES" HELD UP BY INEVITABLE DIFFICULTY OF REACHING AGREEMENT

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ON OTHER REFORMS. LOCAL PRESS IS PLAYING UP CIEC AS A

"CHALLENGING OPPORTUNITY" FOR PAKISTAN TO EXERCISE  
INFLUENCE IN THIRD WORLD COUNCILS. END SUMMARY.

1. EMBOFF HAD BRIEF DISCUSSION OF PAKISTAN'S APPROACH  
TO CIEC WITH MFA DIRECTOR (UN AFFAIRS) MUNIR AKRAM. HE  
SAID THAT THE GOP WAS GETTING TOGETHER ITS POSITION FOR  
THE "GROUP OF 19" MEETING TO BE HELD IN PARIS JANUARY 5.  
THE FOCUS OF THIS MEETING, HE SAID, WAS LIKELY TO BE  
DRAWING UP MORE PRECISE TERMS OF REFERENCE FOR THE  
COMMISSIONS. THE GOP, HE SAID, WAS EAGER TO HAVE THESE  
MADE AS CONCRETE AS POSSIBLE, TO AVOID SPENDING THE TIME  
OF THE COMMISSIONS THEMSELVES ON UNPRODUCTIVE DISCUSSIONS  
OF THEIR MANDATE. THE GOP HOPES TO STATION ONE SENIOR  
OFFICIAL SEMI-PERMANENTLY IN PARIS TO FOLLOW CIEC. AKRAM  
MENTIONED ADDITIONAL FOREIGN SECRETARY NIAZ NAIK AS A LIKELY  
CANDIDATE.

2. AKRAM SUGGESTED THAT PAKISTAN'S SPECIFIED PROPOSALS  
FOR AGENDA ITEMS WILL FOCUS CHIEFLY ON THE DEVELOPMENT  
AND FINANCE COMMISSIONS, OF WHICH PAKISTAN IS A MEMBER.  
THE PROPOSALS HE MENTIONED PARALLELED THE GOP POSITIONS  
EXPRESSED TO US IN CONNECTION WITH THE SEVENTH SPECIAL  
SESSION (REF B). PAKISTAN WOULD SUGGEST THAT THE  
DEVELOPMENT COMMISSION FOCUS ON IMPLEMENTATION OF THE  
TARGET FOR OFFICIAL DEVELOPMENT ASSISTANCE OF 0.7 PER-  
CENT OF DEVELOPED COUNTRIES' GDP AND ON IMPLEMENTATION OF  
THE VARIOUS INTERNATIONALLY AGREED SCHEMES FOR AGRICULTURAL  
DEVELOPMENT AND INDUSTRIALIZATION (INCLUDING IFAD).  
IN THE FINANCE COMMISSION, AKRAM SAID, PAKISTAN WOULD  
SEEK TO INCLUDE DISCUSSIONS OF THE VARIOUS RESOURCE  
TRANSFER MECHANISMS WHICH HAVE BEEN UNDER CONSIDERATION  
IN INTERNATIONAL FORA, SUCH AS THE DEVELOPMENT SECURITY  
FACILITY, A PERMANENT THIRD WINDOW, THE IMF TRUST FUND,  
AND INCREASED RESOURCES FOR THE INTERNATIONAL LENDING  
INSTITUTIONS. AKRAM ALSO SAID THAT THE SPECIFIC PROBLEM  
AREAS MENTIONED IN MINISTER OF STATE AZIZ AHMAD'S SPEECH  
AT CIEC WOULD BE BROUGHT INTO PAKISTAN'S AGENDA PROPOSALS.  
OUR READING OF THE SPEECH AND OUR ASSESSMENT OF EARLIER  
PAKISTANI POSITIONS SUGGEST THAT THE GOP WILL BE PARTI-  
CULARLY EAGER TO HAVE THE COMMISSIONS REACH SOME SORT  
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OF CONSENSUS ON LDC DEBT AND ON TARIFF PREFERENCES.  
(THE AZIZ AHMAD SPEECH, DISTRIBUTED HERE AS A GOP PRESS  
RELEASE, PROPOSED ELIMINATION OF ALL DC TARIFFS ON  
IMPORTS FROM THE MSAS.)

3. AKRAM SAID THAT THE GOP EXPECTED TO GET DRAWN INTO THE  
DISCUSSIONS OF THE COMMISSION ON RAW MATERIALS, ALTHOUGH  
IT WAS NOT REPRESENTED ON IT, BUT MIGHT NOT GET TOO

FAR INTO THE WORK OF THE ENERGY COMMISSION. (WE SUSPECT THAT THIS MAY REFLECT A GOP DESIRE TO AVOID BEING FORCED TO CHOOSE BETWEEN ITS POLITICAL INTEREST IN PLACATING OPEC AND ITS ECONOMIC INTEREST IN A REASONABLE OIL PRICE.) THE GOP HAD NOT TAKEN A POSITION ON THE SUBJECT OF INDEXATION, HE SAID, BEYOND THE GENERAL STAND THAT "SOME RELATIONSHIP" BETWEEN IMPORT AND EXPORT PRICES WAS "DESIRABLE."

4. THE ONE THEME WHICH RAN THROUGH AKRAM'S DISCUSSIONS OF GOP PRIORITIES WITH GREATER FORCE THAN WE HAD NOTED IN THE PAST WAS THE PROBLEM OF TIME. PAKISTAN AND THE OTHER MSAS, AKRAM SAID, COULD NOT WAIT MUCH LONGER. THEIR BALANCE OF PAYMENTS SITUATION WAS SUCH THAT "EMERGENCY RESOURCE TRANSFER MEASURES" WERE GOING TO BE NECESSARY VERY SHORTLY IN ORDER TO COVER IMMEDIATE IMPORT NEEDS, NOT TO SPEAK OF DEVELOPMENT. GOP REPS, HE SAID, WOULD BE VERY CONSCIOUS OF THIS CONSTRAINT IN THEIR BEHAVIOR AT CIEC. PAKISTAN WOULD PURSUE THESE SHORT-TERM "EMERGENCY MEASURES" WITH MUCH GREATER ZEAL THAN LONGER-TERM REFORMS. HE PLACED IN THE FORMER CATEGORY PRIMARILY THE RESOURCE TRANSFER MECHANISMS (SEE PARA 2 ABOVE); THE LATTER CATEGORY INCLUDED TRADE AGREEMENTS, COMMODITY PRICE SCHEMES, AND, WE GATHER, ANYTHING WHICH INVOLVED WORKING OUT LONG-TERM BEHAVIORAL RULES RATHER THAN DIRECTLY TRANSFERRING FUNDS. AKRAM ASSERTED THAT THE GOP HAD "MADE NO BONES" ABOUT THE URGENCY OF ITS BALANCE OF PAYMENTS PROBLEM WITH THE OPEC COUNTRIES.

5. IN THIS CONNECTION, THE GOP IS APPARENTLY CONCERNED ABOUT THE PROBLEM OF LINKING THE WORK OF THE COMMISSIONS TOGETHER. AKRAM MENTIONED "SOME CONCERN" THAT THE DEVELOPED AND OPEC COUNTRIES MIGHT BE HOLDING BACK ON NEGOTIATIONS LIMITED OFFICIAL USE

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IN OTHER FORA TO SEE WHAT DEVELOPED AT CIEC. PAKISTAN VIEWED CIEC AS A COMPREHENSIVE SET OF NEGOTIATIONS, HE SAID, BUT DID NOT WANT TO SEE POSSIBLE PROGRESS IN CERTAIN AREAS (READ RESOURCE TRANSFER) HELD UP UNTIL THE REST OF THE CIEC ISSUES HAD BEEN RESOLVED.

6. PRESS COVERAGE OF CIEC HAS BEEN FAIRLY EXTENSIVE. COMMENTATORS HAVE UNDERLINED THE INEQUITIES OF THE "PRESENT INTERNATIONAL ECONOMIC ORDER," BUT ALSO THE MODERATION AND STATESMANSHIP OF PAKISTAN'S APPROACH. ONE RECURRENT THEME IN THE PRESS COVERAGE IS THAT THIS CONFERENCE GIVES PAKISTAN A WELCOME OPPORTUNITY TO EXERCISE INFLUENCE IN THIRD WORLD COUNCILS. BYROADE

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